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FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991): UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/48/844 and Corr.1). During the course of its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information to it.

2. Chapter I of the report of the Secretary-General (paras. 1-6) summarizes developments since the establishment of UNIKOM in accordance with Security Council resolution 687 (1991) of 3 April 1991, including the decision of the General Assembly, by its resolution 47/208 B of 14 September 1993, to appropriate an amount of $19,800,000 gross ($18,600,000 net) for the operation of UNIKOM for the period from 1 May to 31 October 1993 and an amount of $20 million gross ($19,889,600 net) for the same period for the strengthening of UNIKOM, and to authorize the Secretary-General to enter into commitments for UNIKOM at a rate not to exceed $6,250,825 gross ($6,064,700 net) per month for the period from 1 November 1993 to 28 February 1994, should the Security Council decide to continue the Observation Mission beyond 31 October 1993.

3. Subsequently, as indicated in paragraph 12 of the report, the General Assembly authorized the Secretary-General, by its decision 48/466 of 23 December 1993, to enter into commitments up to the amount of $8,687,800 gross ($8 million net) in addition to the pledged voluntary contributions of $23,414,800 for the period from 1 November 1993 to 28 February 1994.

4. As indicated in paragraph 3 of the report, the strengthening of UNIKOM was authorized by the Security Council in its resolution 806 (1993) of 5 February 1993. In that resolution, the Council approved the report of the

Secretary-General (S/25123), in which he asked for three battalions, and requested the Secretary-General to plan and execute a phased deployment. The Advisory Committee was informed that, following the deployment of one battalion from Bangladesh, it had been found that the other two battalions would not be needed.

5. The report of the Secretary-General also provides information on, inter alia, the status of assessed contributions, voluntary contributions, resources available and operating costs for the period from 9 April 1991 to 28 February 1994, the financial performance report for the period from 1 November 1992 to 31 October 1993, the cost estimate for the period from 1 November 1993 to 31 October 1994 and the status of reimbursement to troop-contributing States.

6. In paragraph 17 of the report, the Secretary-General summarizes the actions to be taken by the General Assembly at its forty-eighth session in connection with the financing of UNIKOM.

7. Annexes I and II to the report summarize and provide supplementary information on the financial performance of the operation for the period from 1 November 1992 to 31 October 1993. As indicated therein, total expenditures amounted to $39,800,000 gross ($37,991,100 net), resulting in savings of $20 million gross ($19,775,500 net). Those savings resulted from the delayed deployment of the battalion from Bangladesh.

8. The Secretary-General estimates the cost of the operation for the period from 1 November 1993 to 31 October 1994 at $6,120,200 gross ($5,932,950 net) per month. Annexes IV and V provide a summary statement of and supplementary information on that estimate, which amounts to $73,442,400 gross ($71,195,400 net). However, the Committee was subsequently informed that provision of $1,750,000 for the transport of contingent-owned equipment (annex V, para. 108) would no longer be needed since the equipment in question would be supplied by the Government of Kuwait for use by the battalion from Bangladesh. The consequent effect on the estimates is to reduce them to $71,692,400 gross ($69,445,400 net).

9. In paragraph 17 (a) of his report, the Secretary-General requests authorization to enter into commitments up to the amount of $36,721,200 gross ($35,597,700 net) for the maintenance of the Mission for the period from 1 November 1993 to 30 April 1994. This figure has been arrived at by a pro-rating of the initial amounts of $73,442,400 gross ($71,195,400 net) in paragraph 8 above. However, the Advisory Committee points out that this pro-rating does not take into account the fact that monthly expenditures in the six-month period from 1 November 1993 to 30 April 1994 will be heavier than in the subsequent six-month period because of non-recurrent capital expenditure. On this basis, and taking into account the reduction in the estimate referred to in paragraph 7 above, the Advisory Committee was informed that the estimate of the operation for the six-month period from 1 November 1993 to 30 April 1994 amounts to $37,813,500 gross ($36,690,000 net), including one-time capital costs of $3,934,600; the estimate for the period from 1 May to 31 October 1994 amounts to $33,878,900 gross ($32,755,400 net).

10. With regard to the mission subsistence allowance mentioned in paragraph 1 of annex V of the report, the Advisory Committee was informed that the rate for Baghdad had been revised from $240 to $125 as at 15 February 1994. The corresponding reductions on the estimate for six months would be $113,100 ($73,850 under military observers and $39,250 under civilian staff).

11. The entire question of the entitlements and allowances paid to the personnel participating in peace-keeping operations continues to be of concern to the Advisory Committee; it intends to revert to the issue in the context of the comprehensive report to be submitted to the General Assembly on all issues affecting the successful operation and administration of peace-keeping operations requested by the Committee (see A/47/990). In that connection, the Advisory Committee welcomes the review of mission subsistence allowance for Baghdad and trusts that the rate for Kuwait, which is currently $115 on an accommodation-provided basis with $12 per day charged for food, will also be reviewed.

12. The Advisory Committee notes that travel of military observers and civilian personnel has been calculated at an average round-trip cost of $5,000 per person or $2,500 one way, while the deployment of the infantry battalion and travel of contingent support personnel is estimated at $800 per person one way or $1,600 round trip (annex V, paras. 3 and 4).

13. The Advisory Committee has requested the Secretary-General to report on the practice of deploying Security Guards from the Headquarters locations to United Nations missions with a view to clarifying the policy in that regard.

14. The Committee was informed that the performance of the previous budget indicated an amount of $4,332 as the cost of travel of military observers and civilian personnel, and between $600 and $900 for infantry. In the circumstances, the Committee recommends an amount of $4,400 instead of $5,000 for the travel of military observers and civilian personnel, and $700 instead of $800 for infantry. The corresponding reductions in the estimate for six months would be $267,700.

15. As shown in paragraph 8 of annex V and reflected in annex VI of the report, the estimate for the period from 1 November 1993 to 31 October 1994 provides for a total of 236 posts to accommodate 103 international civilian staff (13 Professional, 61 Field Service and 29 General Service) and 133 locally recruited staff. This total provides for a reduction of six international posts (two General Service and four Field Service) and an increase of six locally recruited staff.

16. The Committee notes that the provisions for the salaries and common staff costs of international staff are based on New York standard costs. The estimate for the local staff is based on local salary scales applicable in the mission area (see annex V, para. 9).

17. As stated in paragraph 10 of annex V, the staff costs for the period from 1 November 1993 to 31 October 1994 include a 15 per cent vacancy factor for international staff and 5 per cent for local staff. An amount of $68,000 has been included for temporary assistance for the period (see annex V, para. 27).

18. The Advisory Committee was informed that as at November 1993, as a result of the recommendation of the Committee not to deploy additional civilian staff before the deployment of the additional battalion, the vacancy factor was 25 per cent for international staff and 5 to 6 per cent for local staff. The Committee was also informed that following the deployment of the additional battalion in December 1993 and January 1994, all vacant posts would be filled. It is the opinion of the Committee that in view of the stable situation obtaining in the area, vacancies should be filled only after determining that staff are actually needed.

19. The Advisory Committee was informed that the amount of $1,514,300 mentioned in paragraph 22 of annex V would be reimbursed to the Government of Kuwait for the equipment furnished by Kuwait to the battalion from Bangladesh.

20. An amount of $2,058,200 has been provided for renting equipment and/or vehicles for use by the Engineering Unit (annex V, para. 46). The Advisory Committee requests the Secretary-General to explore the possibility of obtaining the equipment in question free of charge.

21. The estimates provide $6,344,300 for the hire of three helicopters (one medium and two light) from 1 November to 31 December 1993 and six helicopters (three medium and three light) from 1 January to 31 October 1994, and $808,800 for rental of a fixed-wing aircraft (annex V, paras. 52 and 58). This is in addition to the two fixed-wing aircraft being provided free of charge to UNIKOM by one Government.

22. The Advisory Committee was informed that the number of incidents requiring air patrols had gone down. This being the case, the Committee queries the need for so many helicopters. In that connection, the Committee recalls and reiterates its observation in paragraph 18 of its report on UNIKOM (A/47/987) that "while not objecting to the estimate for additional helicopters, the Advisory Committee ... trusts that they will be procured in accordance with actual needs on the ground".

23. In paragraph 69 of annex V of the report, the Secretary-General requests $942,600 for communications equipment. The Advisory Committee notes that the amount being requested is significantly higher than the revised apportionment of $82,400 in the previous mandate period. In view of the past budgetary record, this is a rapid build-up and not fully justified. In the circumstances, the Committee recommends that the amount of $942,600 should be reduced to $750,000.

24. In view of its recommendations and observations in the paragraphs above, the Advisory Committee believes that the estimate for UNIKOM in the period from 1 November to 30 April 1994 should not exceed $37 million gross. In determining the amount to be appropriated and assessed, account should be taken of the pledged voluntary contributions, amounting to two thirds of the cost of the operation; moreover, the assessment on Member States should be offset by the unencumbered balance remaining on the account.

25. As indicated in paragraph 9 above, the Secretary-General estimates requirements of UNIKOM at $33.9 million gross ($32.8 million net) for the period from 1 May to 31 October 1994. Taking into account its recommendations and

observations in the paragraphs above, the Advisory Committee recommends commitment authority not to exceed $5.5 million gross per month for that period on the understanding that two thirds of the related expenses would be met through voluntary contributions.

26. The Advisory Committee's recommendation in respect of a six-month commitment authority should be seen as an exceptional measure to allow the Secretary-General to prepare a comprehensive performance report and budget to be submitted to the General Assembly by September 1994 so as to ensure that full consideration of it is completed before expiration of financial authority.

Compliance with past recommendations of the Advisory Committee

27. The Advisory Committee requests that, in future reports of the Secretary-General on the financing of UNIKOM, precise information be given on implementation of and/or compliance with recommendations of the Committee that have been endorsed by the Assembly.